

A bill for an act

relating to taxation; making policy, technical, administrative, and clarifying changes to individual income, corporate franchise, sales and use, property, petroleum, cigarette, tobacco, insurance, local taxes, and other taxes and tax-related provisions; amending Minnesota Statutes 2008, sections 82B.035, subdivision 2; 270.41, subdivision 5; 270C.94, subdivision 3; 272.025, subdivisions 1, 3; 272.029, subdivision 4; 278.05, by adding a subdivision; 279.01, subdivision 3; 289A.09, subdivision 2; 289A.50, subdivisions 2, 4; 297A.995, subdivisions 10, 11; 297F.01, subdivision 22a; 297F.04, by adding a subdivision; 297F.25, subdivision 1; 297I.01, subdivision 9; 297I.05, subdivision 7; 297I.65, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 273.124, subdivision 3a; proposing coding for new law in Minnesota Statutes, chapters 296A; 645.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

**ARTICLE 1**

**INDIVIDUAL INCOME AND CORPORATE FRANCHISE TAXES**

Section 1. Minnesota Statutes 2008, section 289A.09, subdivision 2, is amended to read:

Subd. 2. **Withholding statement.** (a) A person required to deduct and withhold from an employee a tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, or who would have been required to deduct and withhold a tax under section 290.92, subdivision 2a or 3, or persons required to withhold tax under section 290.923, subdivision 2, determined without regard to section 290.92, subdivision 19, if the employee or payee had claimed no more than one withholding exemption, or who paid wages or made payments not subject to withholding under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, to an employee or person receiving royalty payments in excess of \$600, or who has entered into a voluntary withholding agreement with a payee under section

290.92, subdivision 20, must give every employee or person receiving royalty payments in respect to the remuneration paid by the person to the employee or person receiving royalty payments during the calendar year, on or before January 31 of the succeeding year, or, if employment is terminated before the close of the calendar year, within 30 days after the date of receipt of a written request from the employee if the 30-day period ends before January 31, a written statement showing the following:

(1) name of the person;

(2) the name of the employee or payee and the employee's or payee's Social Security account number;

(3) the total amount of wages as that term is defined in section 290.92, subdivision 1, paragraph (1); the total amount of remuneration subject to withholding under section 290.92, subdivision 20; the amount of sick pay as required under section 6051(f) of the Internal Revenue Code; and the amount of royalties subject to withholding under section 290.923, subdivision 2; and

(4) the total amount deducted and withheld as tax under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2.

(b) The statement required to be furnished by paragraph (a) with respect to any remuneration must be furnished at those times, must contain the information required, and must be in the form the commissioner prescribes.

(c) The commissioner may prescribe rules providing for reasonable extensions of time, not in excess of 30 days, to employers or payers required to give the statements to their employees or payees under this subdivision.

(d) A duplicate of any statement made under this subdivision and in accordance with rules prescribed by the commissioner, along with a reconciliation in the form the commissioner prescribes of the statements for the calendar year, including a reconciliation of the quarterly returns required to be filed under subdivision 1, must be filed with the commissioner on or before February 28 of the year after the payments were made.

(e) If an employer cancels the employer's Minnesota withholding account number required by section 290.92, subdivision 24, the information required by paragraph (d), must be filed with the commissioner within 30 days of the end of the quarter in which the employer cancels its account number.

(f) The employer must submit the statements required to be sent to the commissioner in the same manner required to satisfy the federal reporting requirements of section 6011(e) of the Internal Revenue Code and the regulations issued under it. ~~For wages paid in calendar year 2008, An employer must submit statements to the commissioner required by this section by electronic means if the employer is required to send more than 100~~

25 statements to the commissioner, even though the employer is not required to submit the returns federally by electronic means. For calendar year 2009, the 100 statements threshold is reduced to 50, and for calendar year 2010, the threshold is reduced to 25, and for statements issued for wages paid in 2011 and after, the threshold is reduced to ten. All statements issued for withholding required under section 290.92 are aggregated for purposes of determining whether the electronic submission threshold is met.

(g) A "third-party bulk filer" as defined in section 290.92, subdivision 30, paragraph (a), clause (2), must submit the returns required by this subdivision and subdivision 1, paragraph (a), with the commissioner by electronic means.

**EFFECTIVE DATE.** This section is effective for statements required to be filed after December 31, 2010.

Sec. 2. Minnesota Statutes 2008, section 289A.50, subdivision 4, is amended to read:

Subd. 4. **Notice of refund.** The commissioner shall determine the amount of refund, if any, that is due, and notify the taxpayer of the determination as soon as practicable after a claim has been filed.

If the commissioner determines that the address provided by the taxpayer to claim a refund is invalid or is no longer the current address of the taxpayer, then the date of the mailing of the notification provided under this subdivision is considered the date that the refund is paid for purposes of the payment of interest under section 289A.56 and is considered the date of issuance of the original warrant or check for purposes of issuing a new warrant or check under section 270C.347.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

## **ARTICLE 2**

### **SALES AND USE TAXES**

Section 1. Minnesota Statutes 2008, section 289A.50, subdivision 2, is amended to read:

Subd. 2. **Refund of sales tax to vendors; limitation.** (a) If a vendor has collected from a purchaser and remitted to the state a tax on a transaction that is not subject to the tax imposed by chapter 297A, the tax is refundable to the vendor only if and to the extent that the tax and any interest earned on the tax is credited to amounts due to the vendor by the purchaser or returned to the purchaser by the vendor.

(b) In addition to the requirements of subdivision 1, a claim for refund under this subdivision must state in writing that the tax and interest earned on the tax has been or will be refunded or credited to the purchaser by the vendor.

(c) Within 60 days after the date the commissioner issues the refund, any amount not refunded or credited to the purchaser by the vendor, as required by paragraph (a), must be returned to the commissioner by the vendor.

(d) After the commissioner refunds the tax and interest to the vendor, if the commissioner determines that the vendor did not refund or credit the tax and interest as provided in this subdivision, or did not return the amount required to be returned under paragraph (c), the commissioner may assess the vendor for underpayment of tax and interest equal to that portion of the amount that was not refunded or credited to the purchaser. The assessment bears interest which is computed at the rate specified in section 270C.40, subdivision 5, on the unpaid amount from the date the commissioner issues the refund until the date the amount is paid to the commissioner. The assessment may be made at any time within 3-1/2 years after the commissioner refunds the tax and interest to the vendor. If part of the refund was induced by fraud or misrepresentation of a material fact, the assessment may be made at any time.

**EFFECTIVE DATE.** This section is effective for refunds issued after June 30, 2010.

Sec. 2. Minnesota Statutes 2008, section 297A.995, subdivision 10, is amended to read:

Subd. 10. **Relief from certain liability.** (a) Notwithstanding subdivision 9, sellers and certified service providers are relieved from liability to the state for having charged and collected the incorrect amount of sales or use tax resulting from the seller or certified service provider (1) relying on erroneous data provided by the commissioner in the database files on tax rates, boundaries, or taxing jurisdiction assignments, or (2) relying on erroneous data provided by the state in its taxability matrix concerning the taxability of products and services.

(b) Notwithstanding subdivision 9, sellers and certified service providers are relieved from liability to the state for having charged and collected the incorrect amount of sales or use tax resulting from the seller or certified service provider relying on the certification by the commissioner as to the accuracy of a certified automated system as to the taxability of product categories. The relief from liability provided by this paragraph does not apply when the sellers or certified service providers have incorrectly classified an item or transaction into a product category, unless the item or transaction within a product category was approved by the commissioner or approved jointly by the states that are signatories to the agreement. The sellers and certified service providers must revise a

classification within ten days after receipt of notice from the commissioner that an item or transaction within a product category is incorrectly classified as to its taxability, or they are not relieved from liability for the incorrect classification following the notification.

(c) Notwithstanding subdivision 9, if there are not at least 30 days between the enactment of a new tax rate and the effective date of the new rate, sellers and certified service providers shall be relieved from liability for failing to collect tax at the new rate during the first 30 days of the rate change, beginning on the day after the date of enactment of the rate change, provided the seller or certified service provider continued to impose and collect the tax at the immediately preceding tax rate during this period. Relief from liability provided by this paragraph shall not apply if the failure to collect at the newly effective rate extends beyond 30 days after the enactment of the new rate. The relief provided by this paragraph shall not apply if the commissioner determines that the seller or certified service provider fraudulently failed to collect at the new rate or that the seller or certified service provider solicited purchasers based on the immediately preceding tax rate.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 3. Minnesota Statutes 2008, section 297A.995, subdivision 11, is amended to read:

Subd. 11. **Purchaser relief from certain liability.** (a) Notwithstanding other provisions in the law, a purchaser is relieved from liability resulting from having paid the incorrect amount of sales or use tax if a purchaser, whether or not ~~holding a the~~ commissioner gave the purchaser direct pay permit authorization, or a purchaser's seller or certified service provider relied on erroneous data provided by this state in the database files on tax rates, boundaries, taxing jurisdiction assignments, or in the taxability matrix. After providing an address-based database for assigning taxing jurisdictions and their associated rates, no relief for errors resulting from the purchaser's reliance on a database using zip codes is allowed.

(b) With respect to reliance on the taxability matrix provided by this state in paragraph (a), relief is limited to erroneous classifications in the taxability matrix for items included within the classifications as "taxable," "exempt," "included in sales price," "excluded from sales price," "included in the definition," and "excluded from the definition."

(c) Notwithstanding other provisions in the law, if there are not at least 30 days between the enactment of a new tax rate and the effective date of the new rate, a purchaser shall be relieved from liability resulting from failing to pay the tax at the new rate during the first 30 days of the rate change, beginning on the day after the date of enactment of the rate change, whether or not the purchaser has been given direct pay authorization by

the commissioner. Relief from liability provided by this paragraph shall not apply if the failure to pay at the newly effective rate extends beyond 30 days after the enactment of the new rate, and shall not apply to a purchaser that did not continue to pay the tax at the immediately preceding tax rate during the 30-day period. The relief provided by this paragraph shall not apply if the commissioner determines that the purchaser fraudulently failed to pay at the new rate.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 4. **[645.025] SPECIAL LAWS; LOCAL TAXES.**

**Subdivision 1. Definitions.** (a) If a special law grants a local government unit or group of units the authority to impose a local tax other than sales tax, including but not limited to taxes such as lodging, entertainment, admissions, or food and beverage taxes, and the Department of Revenue either has agreed to or is required to administer the tax, such that the tax is reported and paid with the chapter 297A taxes, then the local government unit or group of units must adopt each definition used in the special law as follows:

(1) the definition must be identical to the definition found in chapter 297A or in Minnesota Rules, chapter 8130; or

(2) if the specific term is not defined either in chapter 297A or in Minnesota Rules, chapter 8130, then the definition must be consistent with the position of the Department of Revenue as to the extent of the tax base.

(b) This subdivision does not apply to terms that are defined by the authorizing special law.

**Subd. 2. Application.** This section applies to a special law that is described in subdivision 1 that was:

(1) originally enacted prior to 2010, and that was amended by special law in or after 2010, to extend the time for imposing the tax or to modify the tax base; or

(2) first enacted in or after 2010.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

**ARTICLE 3**

**SPECIAL TAXES**

Section 1. **[296A.061] CANCELLATION OR NONRENEWAL OF LICENSES.**

The commissioner may cancel a license or not renew a license if one of the following conditions occurs:

(1) the license holder has not filed a petroleum tax return or report for at least one year;

(2) the license holder has not reported any petroleum tax liability on the license holder's returns or reports for at least one year; or

(3) the license holder requests cancellation of the license.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 2. Minnesota Statutes 2008, section 297F.01, subdivision 22a, is amended to read:

Subd. 22a. **Weighted average retail price.** "Weighted average retail price" means (1) the average retail price per pack of 20 cigarettes, with the average price weighted by the number of packs sold at each price, (2) reduced by the sales tax included in the retail price, and (3) adjusted for the expected inflation ~~from the time of the survey to the average of the 12 months that the sales tax will be imposed. The commissioner shall make the inflation adjustment in accordance with the Consumer Price Index for all urban consumers inflation indicator as published in the most recent state budget forecast. The inflation factor for the calendar year in which the new tax rate takes effect must be used. If the survey indicates that the average retail price of cigarettes has not increased relative to the average retail price in the previous year's survey, then no inflation adjustment must be made~~ as provided in section 297F.25, subdivision 1.

**EFFECTIVE DATE.** This section is effective January 1, 2011.

Sec. 3. Minnesota Statutes 2008, section 297F.04, is amended by adding a subdivision to read:

Subd. 2a. **Cancellation or nonrenewal.** The commissioner may cancel a license or not renew a license if one of the following conditions occurs:

(1) the license holder has not filed a cigarette or tobacco products tax return for at least one year;

(2) the license holder has not reported any cigarette or tobacco products tax liability on the license holder's returns for at least one year; or

(3) the license holder requests cancellation of the license.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2008, section 297F.25, subdivision 1, is amended to read:

Subdivision 1. **Imposition.** (a) A tax is imposed on distributors on the sale of cigarettes by a cigarette distributor to a retailer or cigarette subjobber for resale in this

state. The tax is equal to 6.5 percent of the weighted average retail price. ~~The weighted average retail price and must be expressed in cents per pack when rounded to the nearest one-tenth of a cent. The weighted average retail price must be determined annually, with new rates published by May November 1, and effective for sales on or after August January 1 of the following year.~~ The weighted average retail price must be established by surveying cigarette retailers statewide in a manner and time determined by the commissioner. The commissioner shall make an inflation adjustment in accordance with the Consumer Price Index for all urban consumers inflation indicator as published in the most recent state budget forecast. The commissioner shall use the inflation factor for the calendar year in which the new tax rate takes effect. If the survey indicates that the average retail price of cigarettes has not increased relative to the average retail price in the previous year's survey, then the commissioner shall not make an inflation adjustment. The determination of the commissioner pursuant to this subdivision is not a "rule" and is not subject to the Administrative Procedure Act contained in chapter 14. ~~As of August 1, 2005, the tax is 25.5 cents per pack of 20 cigarettes.~~ For packs of cigarettes with other than 20 cigarettes, the tax must be adjusted proportionally.

(b) Notwithstanding paragraph (a), and in lieu of a survey of cigarette retailers, the tax calculation of the weighted average retail price for the sales of cigarettes from August 1, 2011, through December 31, 2011, shall be calculated by (1) increasing the average retail price per pack of 20 cigarettes from the most recent survey by the percentage change in a weighted average of the presumed legal prices for cigarettes during the year after completion of that survey, as reported and published by the Department of Commerce under section 325D.371; (2) subtracting the sales tax included in the retail price; and (3) adjusting for expected inflation. The rate is published by May 1 and is effective for sales after July 31. If the weighted average of the presumed legal prices indicates that the average retail price of cigarettes has not increased relative to the average retail price in the most recent survey, then no inflation adjustment must be made. For packs of cigarettes with other than 20 cigarettes, the tax must be adjusted proportionally.

**EFFECTIVE DATE.** This section is effective January 1, 2011.

Sec. 5. Minnesota Statutes 2008, section 297I.01, subdivision 9, is amended to read:

Subd. 9. **Gross premiums.** (a) "Gross premiums" means total premiums paid by policyholders and applicants of policies, whether received in the form of money or other valuable consideration, on property, persons, lives, interests and other risks located, resident, or to be performed in this state, but excluding consideration and premiums for reinsurance assumed from other insurance companies.

~~The term~~ (b) "Gross premiums" includes the total consideration paid to bail bond agents for bail bonds.

(c) For title insurance companies, "gross premiums" means the charge for title insurance made by a title insurance company or its agents according to the company's rate filing approved by the commissioner of commerce without a deduction for commissions paid to or retained by the agent. Gross premiums of a title insurance company does not include any other charge or fee for abstracting, searching, or examining the title, or escrow, closing, or other related services.

~~The term~~ (d) "Gross premiums" includes any workers' compensation special compensation fund premium surcharge pursuant to section 176.129.

(e) "Gross premiums" for surplus lines tax includes the total of premiums and all charges and fees paid by the policyholders whether received in the form of money or other valuable consideration to obtain insurance coverage on property, persons, lives, interests, and other risks located, resident, or to be performed in this state, but excluding consideration and premiums for reinsurance assumed from other insurance companies. "Gross premiums" does not include the stamping fee, as provided under section 60A.2085, subdivision 7, and the operating assessment, as provided under section 60A.208, subdivision 8.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 6. Minnesota Statutes 2008, section 297I.05, subdivision 7, is amended to read:

Subd. 7. **Surplus lines tax.** (a) A tax is imposed on surplus lines licensees. The rate of tax is equal to three percent of the gross premiums less return premiums ~~received by the licensee minus any licensee association operating assessments paid under section 60A.208.~~

(b) If surplus lines insurance placed by a surplus lines licensee and taxed under this subdivision covers a subject of insurance residing, located, or to be performed outside this state, a proper pro rata portion of the entire premium payable for all of that insurance must be allocated according to the subjects of insurance residing, located, or to be performed in this state.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 7. Minnesota Statutes 2008, section 297I.65, is amended by adding a subdivision to read:

Subd. 4. **Omission in excess of 25 percent.** Additional taxes or surcharges may be assessed within 6-1/2 years after the due date of the return or the date the return was filed,

whichever is later, if the taxpayer omits from a gross premiums tax or surcharge return an amount of tax in excess of 25 percent of the tax or surcharge reported in the return.

**EFFECTIVE DATE.** This section is effective for premium taxes due after December 31, 2010.

## **ARTICLE 4**

### **PROPERTY TAXES**

Section 1. Minnesota Statutes 2008, section 82B.035, subdivision 2, is amended to read:

Subd. 2. **Assessors.** Nothing in this chapter shall be construed as requiring the licensing of persons employed and acting in their capacity as assessors for political subdivisions of the state, or to prohibit such persons from preparing an appraisal or appraisal report, or testifying before any court or other body as an expert or otherwise on behalf of their jurisdiction with respect to properties in that jurisdiction.

**EFFECTIVE DATE.** This section is effective the day following final enactment for testimony offered and opinions or reports prepared in cases or proceedings that have not been finally resolved.

Sec. 2. Minnesota Statutes 2008, section 270.41, subdivision 5, is amended to read:

Subd. 5. **Prohibited activity.** A licensed assessor or other person employed by an assessment jurisdiction or contracting with an assessment jurisdiction for the purpose of valuing or classifying property for property tax purposes is prohibited from making appraisals or analyses, accepting an appraisal assignment, or preparing an appraisal report as defined in section 82B.02, subdivisions 2 to 5, on any property within the assessment jurisdiction where the individual is employed or performing the duties of the assessor under contract. Violation of this prohibition shall result in immediate revocation of the individual's license to assess property for property tax purposes. This prohibition must not be construed to prohibit an individual from carrying out any duties required for the proper assessment of property for property tax purposes or to prohibit the individual from preparing an appraisal, appraisal report or analysis, or accepting an appraisal assignment for the purpose of testifying before any court or other body as an expert or other witness on any property within the assessment jurisdiction where the individual is employed on behalf of the jurisdiction in which the individual is employed or providing such testimony on behalf of that jurisdiction. If a formal resolution has been adopted by the governing body of a governmental unit, which specifies the purposes for which such work will be done, this prohibition does not apply to appraisal activities undertaken on behalf of and at

11.1 the request of the governmental unit that has employed or contracted with the individual.  
11.2 The resolution may only allow appraisal activities which are related to condemnations,  
11.3 right-of-way acquisitions, or special assessments.

11.4 **EFFECTIVE DATE.** This section is effective the day following final enactment  
11.5 for testimony offered and opinions or reports prepared in cases or proceedings that have  
11.6 not been finally resolved.

11.7 Sec. 3. Minnesota Statutes 2008, section 270C.94, subdivision 3, is amended to read:

11.8 Subd. 3. **Failure to appraise.** When an assessor has failed to properly appraise at  
11.9 least one-fifth of the parcels of property in a district or county as provided in section  
11.10 273.01, the commissioner ~~shall~~ may appoint a special assessor and deputy assessor  
11.11 as necessary and cause a reappraisal to be made of the property due for reassessment  
11.12 in accordance with law.

11.13 **EFFECTIVE DATE.** This section is effective the day following final enactment.

11.14 Sec. 4. Minnesota Statutes 2008, section 272.025, subdivision 1, is amended to read:

11.15 Subdivision 1. **Statement of exemption.** (a) Except in the case of ~~churches and~~  
11.16 ~~houses of worship, property solely used for educational purposes by academics, colleges,~~  
11.17 ~~universities or seminaries of learning,~~ property owned by the state of Minnesota or any  
11.18 political subdivision thereof, and property exempt from taxation under section 272.02,  
11.19 subdivisions 9, 10, 13, 15, 18, 20, and 22 to ~~26~~ 25, and at the times provided in subdivision  
11.20 3, a taxpayer claiming an exemption from taxation on property described in section  
11.21 272.02, subdivisions 1 to 33, ~~shall~~ must file a statement of exemption with the assessor of  
11.22 the assessment district in which the property is located.

11.23 (b) A taxpayer claiming an exemption from taxation on property described in section  
11.24 272.02, subdivision 10, ~~shall~~ must file a statement of exemption with the commissioner  
11.25 of revenue, on or before February 15 of each year for which the taxpayer claims an  
11.26 exemption.

11.27 (c) In case of sickness, absence or other disability or for good cause, the assessor  
11.28 or the commissioner may extend the time for filing the statement of exemption for a  
11.29 period not to exceed 60 days.

11.30 (d) The commissioner of revenue shall prescribe the form and contents of the  
11.31 statement of exemption.

11.32 **EFFECTIVE DATE.** This section is effective for taxes payable in 2012 and  
11.33 thereafter.

12.1 Sec. 5. Minnesota Statutes 2008, section 272.025, subdivision 3, is amended to read:

12.2 Subd. 3. **Filing dates.** (a) The statement required by subdivision 1, paragraph  
12.3 (a), must be filed with the assessor by February 1 of the assessment year, however, any  
12.4 taxpayer who has filed the statement required by subdivision 1 more than 12 months prior  
12.5 to February 1, 1983, or February 1 of each third year after 1983, shall file a statement by  
12.6 February 1, 1983, and by February 1 of each third year thereafter.

12.7 (b) For churches and houses of worship, and property solely used for educational  
12.8 purposes by academies, colleges, universities, or seminaries of learning, no statement is  
12.9 required after the statement filed for the assessment year in which the exemption began.

12.10 (c) This section does not apply to existing churches and houses of worship, and  
12.11 property solely used for educational purposes by academies, colleges, universities, or  
12.12 seminaries of learning that were exempt for taxes payable in 2011.

12.13 **EFFECTIVE DATE.** This section is effective for taxes payable in 2012 and  
12.14 thereafter.

12.15 Sec. 6. Minnesota Statutes 2008, section 272.029, subdivision 4, is amended to read:

12.16 Subd. 4. **Reports.** (a) An owner of a wind energy conversion system subject to tax  
12.17 under subdivision 3 shall file a report with the commissioner of revenue annually on or  
12.18 before February 1 detailing the amount of electricity in kilowatt-hours that was produced  
12.19 by the wind energy conversion system for the previous calendar year. The commissioner  
12.20 shall prescribe the form of the report. The report must contain the information required  
12.21 by the commissioner to determine the tax due to each county under this section for the  
12.22 current year. If an owner of a wind energy conversion system subject to taxation under  
12.23 this section fails to file the report by the due date, the commissioner of revenue shall  
12.24 determine the tax based upon the nameplate capacity of the system multiplied by a  
12.25 capacity factor of ~~40~~ 60 percent.

12.26 (b) On or before February 28, the commissioner of revenue shall notify the owner of  
12.27 the wind energy conversion systems of the tax due to each county for the current year and  
12.28 shall certify to the county auditor of each county in which the systems are located the tax  
12.29 due from each owner for the current year.

12.30 **EFFECTIVE DATE.** This section is effective beginning with reports due on  
12.31 February 1, 2011, and thereafter.

12.32 Sec. 7. Minnesota Statutes 2009 Supplement, section 273.124, subdivision 3a, is  
12.33 amended to read:

Subd. 3a. **Manufactured home park cooperative.** (a) When a manufactured home park is owned by a corporation or association organized under chapter 308A or 308B, and each person who owns a share or shares in the corporation or association is entitled to occupy a lot within the park, the corporation or association may claim homestead treatment for the aggregated portion of the park that consists of each lot occupied by a shareholder or member and meeting the criteria in paragraph (b) or (c). Each lot must be designated by legal description or number, and each lot is limited to not more than one-half acre of land for each homestead.

(b) The aggregated portion of the manufactured home park consisting of lots occupied by shareholders or members shall be valued and assessed as if it were homestead property within class 1 if all of the following criteria are met:

(1) the occupant is using the property as a permanent residence and the occupant is a shareholder or member of the corporation or association;

(2) the occupant or the cooperative corporation or association is paying the ad valorem property taxes and any special assessments levied against the land and structure either directly, or indirectly through dues to the corporation or association; and

(3) the corporation or association organized under chapter 308A or 308B is wholly owned by persons having a right to occupy a lot owned by the corporation or association.

(c) A charitable corporation, organized under the laws of Minnesota with no outstanding stock, and granted a ruling by the Internal Revenue Service for 501(c)(3) tax-exempt status, qualifies for homestead treatment with respect to the aggregated portion of the manufactured home park consisting of lots occupied as a permanent residence by member residents of the manufactured home park who hold residential participation warrants entitling them to occupy a lot in the manufactured home park.

(d) "Homestead treatment" under this subdivision means the homestead class rates under section 273.13 and the homestead market value credit under section 273.1384.

**EFFECTIVE DATE.** This section is effective the day following final enactment.

Sec. 8. Minnesota Statutes 2008, section 278.05, is amended by adding a subdivision to read:

Subd. 3a. **Assessor's appraisal reports and testimony as evidence.** An appraisal or appraisal report prepared by a licensed assessor and the testimony, whether expert or otherwise of such assessor, shall be admissible in evidence.

**EFFECTIVE DATE.** This section is effective the day following final enactment for appraisal reports and testimony offered in cases that have not been finally resolved.

14.1       Sec. 9. Minnesota Statutes 2008, section 279.01, subdivision 3, is amended to read:

14.2       Subd. 3. **Agricultural property.** In the case of class 1b agricultural homestead,  
14.3 class 2a agricultural homestead property, and class ~~2b(3)~~ 2a agricultural nonhomestead  
14.4 property, no penalties shall attach to the second one-half property tax payment as provided  
14.5 in this section if paid by November 15. Thereafter for class 1b agricultural homestead  
14.6 and class 2a homestead property, on November 16 following, a penalty of six percent  
14.7 shall accrue and be charged on all such unpaid taxes and on December 1 following, an  
14.8 additional two percent shall be charged on all such unpaid taxes. Thereafter for class  
14.9 ~~2b(3)~~ 2a agricultural nonhomestead property, on November 16 following, a penalty of  
14.10 eight percent shall accrue and be charged on all such unpaid taxes and on December 1  
14.11 following, an additional four percent shall be charged on all such unpaid taxes.

14.12       If the owner of class 1b agricultural homestead, ~~class 2a~~, or class ~~2b(3)~~ 2a  
14.13 agricultural property receives a consolidated property tax statement that shows only an  
14.14 aggregate of the taxes and special assessments due on that property and on other property  
14.15 not classified as class 1b agricultural homestead, ~~class 2a~~, or class ~~2b(3)~~ 2a agricultural  
14.16 property, the aggregate tax and special assessments shown due on the property by the  
14.17 consolidated statement will be due on November 15.

14.18       **EFFECTIVE DATE.** This section is effective the day following final enactment.

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